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C O N F I D E N T I A L SECTION 01 OF 02 KATHMANDU 000624

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STATE FOR SA/INS
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LONDON FOR POL/GUERNEY
NSC FOR MILLARD

E.O. 12958: DECL: 04/04/2013

TAGS: [CASC](#) [BEXP](#) [ECON](#) [PTER](#) [NP](#)

SUBJECT: NEPAL: MAOISTS ISSUE AN EXTORTION DEMAND TO
AMERICAN LIFE INSURANCE COMPANY

Classified By: Deputy Chief of Mission Robert K. Boggs for reasons 1.5
(B,D)

1. (SBU) SUMMARY. The regional president of the American Life Insurance Company (ALICO), a member of the American International Group, Inc. (AIG), approached the Embassy on April 1 indicating that the ALICO branch office in Nepal received a threat and an extortion demand from an individual claiming to be a Maoist. Emboffs, including Assistant Regional Security Officer, have spoken to ALICO's local General Manager & CEO about the incident. Based on the information provided by the representative, it is unclear whether this threat is actually from the Maoists or a local "copycat" group. Emboffs encouraged ALICO's representative in Nepal to obtain more detailed information from the caller in an effort to verify the credentials of the threat. In addition, on the afternoon of April 5th, Ambassador Malinowski, DCM and ARSO spoke by conference call to senior-level ALICO regional and headquarters representatives. END SUMMARY.

2. (SBU) On April 1, the regional president of the American Life Insurance Company (ALICO), a member of the American International Group, Inc. (AIG), called the Embassy and reported that ALICO's Nepal branch office, including the General Manager, received an extortion demand for NRs. 1 million (equivalent to about USD 14,000) from someone claiming to be a Maoist. On April 2, Emboff met with ALICO's general manager to discuss the situation and the ARSO met him on April 5 to recommend personal security measures like varying travel times and routes. In addition, on the afternoon of April 5th, Ambassador Malinowski, DCM and ARSO spoke by conference call to senior-level ALICO representatives, including the new regional president and the vice president for international operations, Ambassador Frank Wisner. Ambassador Malinowski and DCM have shared comments included in paras 5 and 6.

3. (C) ALICO's GM reported that an individual claiming to be a member of the "Armed Revolutionary Maoists Group" made the extortion demand by calling the GM's and ALICO's senior executives' cell phones during the week of March 18. The caller (appears to be the same caller each time) does not speak English, so the GM, a Bangladeshi national, has not directly heard or understood the threats. ALICO's two senior executives, both Nepalese, have spoken to the extortionist over the phone on several occasions. On either March 25 or 26, these two senior executives met the caller at a per-determined location in the center of Kathmandu and were led to a local restaurant. During a meeting there, the purported Maoist demanded that ALICO pay about USD 14,000 by April 6th, for which the company would receive a "receipt" and a two and a half year exoneration from future payments. The ALICO senior executives explained that the company, as a service provider, could not pay that amount of money. The individual stated that if ALICO did not pay, he would be forced to report this to the Maoist "headquarters" and it was "likely that the Maoists would target ALICO's general manager." In addition, the individual claimed that other companies and government offices have paid the Maoists, including Nepal Insurance Board, which is the government agency with oversight over ALICO's work. (NOTE: There is no way that this information can be verified. END NOTE.)

4. (SBU) ALICO's GM does not feel directly threatened and thinks that whoever is making this threat is "just trying to get some money." Emboffs have encouraged ALICO's GM to take immediate measures to ensure his personal security, such as varying travel times and routes and taking special note of his surroundings. Emboff also advised the GM to reconfirm the contact details about the suspected Maoist and recommended a method of verifying the threat's source. ALICO's GM will be back in touch with the Embassy once further details are available. In addition, Emboffs indicated that ultimately delaying tactics might be necessary because ALICO could not accede to the demand since the Maoists have been designated on the USG asset freeze list.

5. (C) COMMENT. It is unclear whether the threat is actually from the Maoists. The Embassy recently has heard

rumors about "copycat" extortion threats targeting local businesses. The threat ALICO received is a "low" dollar figure in comparison to demands made to large local companies. In addition, the secretive meeting with ALICO's senior executives is out of the norm; all other such encounters reported to the Embassy have been direct "office calls" on the business in question. Moreover other extortion demands from verified Maoists usually warn of vague "consequences," rather than direct threats of violence against company personnel, especially foreigners.

16. (C) COMMENT CONTINUED. Emboffs have encouraged ALICO's GM to extract proof from the contact that he is actually a Maoist and to obtain more details prior to using delaying tactics. ARSO will conduct a security survey of the ALICO branch office and the GM's residence this week. In addition, the Embassy will contact the local police and request a visible security presence outside the ALICO office and the GM's residence. ARSO will provide a list of local security guard contact information to ALICO's GM. Finally, Embassy has advised ALICO representatives that payment to the demand is not an option under the US terrorist watch list designation and the Foreign Corrupt Practices Act. END COMMENT.
MALINOWSKI